

**City of Fremont/  
Fremont Public Financing Authority**

Continuing Disclosure Annual Report  
Fiscal Year 2009/10  
(Per SEC Rule 15c2-12(b)(5))

**\$15,000,000**  
**Certificates of Participation**  
**(2010 Financing Project)**

**Final Maturity: August 1, 2038**

**CUSIP No. 357122 KX7**

**March 31, 2011**

Continuing Disclosure Annual Report  
For the City of Fremont/Fremont Public Financing Authority  
2010 Certificates of Participation (2010 Financing Project)  
Fiscal year 2009/10

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This report contains certain information required to be filed annually per SEC rule 15c2-12(b)(5) (the “Rule”) by the City of Fremont (the “City”) and the Fremont Public Financing Authority (the “Authority”). The Rule is applicable to the Certificates of Participation issued by the Authority in the aggregate sum of \$15,000,000 (the “COPs”), pursuant to the authority granted by the Trust Agreement dated December 1, 2010 between the Authority and the City of Fremont (the “City”) and Union Bank, N.A., as Trustee and Tender.

SEC rule 15c2-12(b)(5) requires that an issuer undertake in a written agreement or contract, for the benefit of holders of the securities issued, to file the following:

- i. Certain financial and Bond information as presented in the Continuing Disclosure Certificates
- ii. Audited financial statements
- iii. Notice of certain enumerated significant events
- iv. Notice of any failure to provide such annual financial information as agreed

In compliance with SEC rule 15c2-12(b)(5), the City signed Continuing Disclosure Certificates for the COPs on December 16, 2010, requiring the City and the Authority to provide disclosure annually, or as they occur, concerning the aforementioned enumerated documents or events. Per the Continuing Disclosure Certificates, an annual report must be filed with the Electronic Municipal Market Access system (EMMA) operated by the SEC, and will include:

1. The City’s audited financial statements (which include the Authority as a component unit of the City) prepared in accordance with generally accepted accounting principals as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, and as further modified according to applicable State law. These financial statements include operating data with respect to the City for the fiscal period reported upon. A copy of the 2010 Comprehensive Annual Financial Report (CAFR) for the City of Fremont (for fiscal year 2009/10) is available on the City of Fremont’s website at the following link:

→ <http://www.fremont.gov/index.aspx?NID=527>

2. Operating data with respect to the City for fiscal year 2009/10 in a format substantially similar to that provided in the corresponding tables and charts in the COPs' official statement follows:

- i. General fund revenue sources by type (over \$1,000,000) as excerpted from page 88, Required Supplementary Information, from the CAFR:

City of Fremont  
June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Fund Balance - Beginning	\$ 25,857,000	\$ 25,857,000	\$ 31,099,353	\$ 5,242,353
Resources (inflows):				
Property tax	62,221,000	62,221,000	61,940,809	(280,191)
Sales tax	32,394,000	32,394,000	26,769,511	(5,624,489)
Vehicle license fees	600,000	600,000	634,305	34,305
Intergovernmental	255,000	255,000	169,122	(85,878)
Business tax	7,000,000	7,000,000	7,106,402	106,402
Other taxes	4,133,000	4,133,000	3,842,969	(290,031)
Franchises	8,439,000	8,439,000	7,928,716	(510,284)
Charges for services	10,021,733	10,021,733	8,703,893	(1,317,840)
Investment earnings	1,600,000	1,600,000	1,748,364	148,364
Other	211,267	211,267	984,149	772,882
Operating transfers in	5,244,000	5,244,000	7,951,346	2,707,346
Total resources	132,119,000	132,119,000	127,779,586	(4,339,414)
Charges to appropriations (outflows):				
General government	12,264,964	11,616,104	11,126,970	489,134
Police services	52,618,242	52,821,361	52,300,564	520,797
Fire services	30,582,563	30,637,485	30,848,121	(210,636)
Human services	3,485,092	3,497,022	3,415,273	81,749
Capital assets maintenance and operations	19,073,655	19,106,020	17,528,049	1,577,971
Community development and environmental services	735,218	735,218	918,248	(183,030)
Capital outlay	-	78,422	78,422	-
Debt service:				-
Interest and fiscal charges	825,000	825,000	1,184,016	(359,016)
Operating transfers out	16,468,493	16,736,595	12,578,614	4,157,981
Total charges to appropriations	136,053,227	136,053,227	129,978,277	6,074,950
Resources over (under) charges to appropriations	(3,934,227)	(3,934,227)	(2,198,691)	1,735,536
Fund Balance - Ending	\$ 21,922,773	\$ 21,922,773	\$ 28,900,662	\$ 6,977,889

- ii. Assessed valuation and tax collection records for fiscal year 2009/10 were as follows:

**Fiscal Year 2009/10:**

<b>Grossed assessed value</b>	<b>\$34,669,577,932</b>
<b>Net assessed value</b>	<b>\$33,839,279,379</b>

<b>Current tax collections</b>	<b>\$43,230,070</b>
<b>Delinquent tax collections</b>	<b><u>3,383,306</u></b>
<b>Total tax collections</b>	<b><u>\$46,613,376</u></b>

**Source: Auditor-Controller of Alameda County**

- iii. Summary of investments, to the extent not summarized in the Audited Financial Statements, including types and amounts of the investments, return on investments, and book-to-market value ratio.

**City of Fremont**

**Summary of Investments as of June 30, 2010**

<b><u>Investment Type</u></b>	<b><u>Fair Value</u></b>
<b>U.S. Agencies</b>	<b>\$ 71,189,819</b>
<b>U.S. Treasuries</b>	<b>13,171,172</b>
<b>Commercial Paper</b>	<b>13,434,216</b>
<b>Medium Term Notes</b>	<b>49,014,776</b>
<b>Money Market Accounts</b>	<b>23,544,863</b>
<b>Pooled Accounts</b>	<b>100,000,000*</b>
<b>Banker's Acceptance</b>	<b>4,487,788</b>
<b>Time Deposits</b>	<b><u>4,053,373</u></b>
<b>Total</b>	<b><u>\$ 356,559,115</u></b>

→ The average return on investments was 2.51% for the year ending June 30, 2010, and 1.96% for the six months ending December 31, 2010.

- iv. Combined annual contribution (City's share and employee's share) to the California Public Employees Retirement System (CalPERS) for fiscal year 2009/10.

→ <b>City contribution</b>	<b>\$18,916,688</b>
<b>Employees contribution</b>	<b>7,115,926</b>

- v. The adopted general fund budget for fiscal year 2009/10.

→ See 2.i. above

The following disclosures relate to operating data with respect to the City of Fremont for Fiscal Year 2009/10, and are to be made in a format substantially similar to that provided in the corresponding tables and charts in the COPs' official statement.

1. **Largest Taxpayers.** The City's twenty largest secured property taxpayers based on assessed value, based on information provided by the Alameda County Assessor:

→ 1.	<b>New United Motor Manufacturing</b>	<b>\$1,014,084,630</b>
2.	<b>Catellus Development Corporation</b>	<b>453,136,570</b>
3.	<b>John Arrilago &amp; Richard Peery</b>	<b>244,198,144</b>
4.	<b>Sobrato Interests II LP</b>	<b>207,628,493</b>
5.	<b>Transcontinental Nthrn California Inc</b>	<b>189,385,948</b>
6.	<b>SCI LP I</b>	<b>149,170,439</b>
7.	<b>BNP Paribus Leasing Corporation</b>	<b>74,108,094</b>
8.	<b>HUB Bayside Properties</b>	<b>57,364,721</b>
9.	<b>AMB Property LP</b>	<b>55,950,000</b>
10.	<b>Northern California Industrial Portfolio Inc</b>	<b>55,947,617</b>
11.	<b>Cisco Technology Inc</b>	<b>45,201,300</b>
12.	<b>Stephens and Stephens Landing II LLC</b>	<b>44,399,875</b>
13.	<b>JER Bayside LLC</b>	<b>43,256,390</b>
14.	<b>Sysco Food Services San Francisco Inc</b>	<b>41,517,200</b>
15.	<b>Mept Northport Business Park I LLC</b>	<b>40,216,058</b>
16.	<b>Security Capital Industrial Trust</b>	<b>38,522,087</b>
17.	<b>Dharam P and Vijay Salwan Trust</b>	<b>38,513,143</b>
18.	<b>Bit Holdings Sixty Seven Inc</b>	<b>35,778,196</b>
19.	<b>ISE Labs Inc</b>	<b>31,732,640</b>
20.	<b>Legacy Partners I Fremont</b>	<b>31,296,797</b>

2. **Assessed Valuation.** The City's five-year history of gross assessed values based on information provided by the Alameda County Auditor-Controller are as follows:

→	<b><u>Fiscal Year</u></b>	<b><u>Gross Assessed Value</u></b>
	<b>FY09/10</b>	<b>\$34,669,577,932</b>
	<b>FY08/09</b>	<b>34,728,215,000</b>
	<b>FY07/08</b>	<b>33,010,284,000</b>
	<b>FY06/07</b>	<b>30,944,045,000</b>
	<b>FY05/06</b>	<b>28,849,724,000</b>

3. **Tax Levies, Collections and Delinquencies.** The City's five-year history of secured tax charges and year-end delinquencies (Information source: Alameda County Auditor-Controller) is as follows:

→	<u>Fiscal Year</u>	<u>Taxes Levied</u>	<u>Year End Delinquencies</u>
	<b>FY09/10</b>	<b>\$43,616,959</b>	<b>\$ 386,889</b>
	<b>FY08/09</b>	<b>44,177,923</b>	<b>854,554</b>
	<b>FY07/08</b>	<b>44,399,799</b>	<b>3,301,381</b>
	<b>FY06/07</b>	<b>42,070,561</b>	<b>3,651,774</b>
	<b>FY05/06</b>	<b>37,397,322</b>	<b>3,596,857</b>

4. **Tax Rates.** The five-year tax rate history within the City of Fremont, based on information provided by California Municipal Statistics, Inc., is as follows:

Fiscal Year	City Direct	Overlapping Rates			Total Direct Rate
	Rate				
	General				
	Obligation Debt Service	County	School District	Special Districts	
2006	0.0079	1.0000	0.0626	0.0154	1.0859
2007	0.0044	1.0000	0.0520	0.0246	1.0810
2008	0.0042	1.0000	0.0610	0.0402	1.1054
2009	0.0079	1.0000	0.0594	0.0453	1.1126
2010	0.0107	1.0000	0.0622	0.0293	1.1022

### **Reporting of Listed Events**

Pursuant to the provisions of the Continuing Disclosure Certificates, the City shall give, or cause to be given, notice of the occurrence of any of the following events:

- 1) Principal and interest payments delinquencies.
- 2) Unscheduled draws on debt service reserves reflecting financial difficulties.
- 3) Unscheduled draws on credit enhancements reflecting financial difficulties.
- 4) Substitution of credit or liquidity providers, or their failure to perform.
- 5) Defeasances.
- 6) Rating changes
- 7) Tender offers.
- 8) Bankruptcy, insolvency, receivership or similar event of the obligated person.
- 9) Adverse tax opinions or events affecting the tax-exempt status of the security.

Pursuant to the provisions of the Continuing Disclosure Certificates, the City shall give, or cause to be given, notice of the occurrence of any of the following events:

- 1) Non-payment related defaults.
- 2) Modifications to rights of security holders.
- 3) Bond calls.
- 4) The release, substitution, or sale of property securing repayment of the securities.
- 5) Consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business.
- 6) Appointment of a successor or additional trustee, or the change of name of a trustee.

**→ There are no significant events known by the City and the Authority to have occurred relating to the COPs through the date of this report. The City and Authority are unaware of any instances of failure to provide annual financial information as agreed, through the date of this report.**

Dated: March 31, 2011

City of Fremont



By Harriet V. Commons,  
Finance Director/Treasurer  
(510) 284-4010

## APPENDIX A

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*City of Fremont  
Audited Financial Statements  
for the Fiscal Year Ended June 30, 2010*

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